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704 South Main Street • Cottonwood, Arizona 86326 • Phone: 928/634-8880 • Fax: 928/634-6668

June 10, 2011

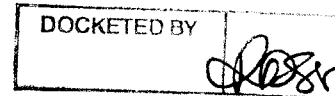
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Arizona Corporation Commission

DOCKETED

JUN 15 2011

AZ CORP COMMISSION
DOCKET CONTROL



Patricia Olsen
Montezuma Rimrock Water Company, LLC
4615 E Goldmine Rd
Rimrock, AZ 86335

RE: \$165,000 term loan request

Dear Ms. Olsen,

In reviewing your company's financials there does not appear to be sufficient cash flow to debt service your loan request.

Typically, we like to see a debt service ratio of 1.25%.

As an example:

Loan amount of \$165,000
Amortized over 10 years
Interest rate of 7.5%
Estimated annual loan payments would be around \$23,503.

The income reported on your 2010 tax returns shows a net loss for the year and so there is no reported income to support this loan request. In order to meet the minimum cash flow requirements based on this example and your current negative cash flow you would need to increase your revenues by \$37,536 to support this request.

Please contact me at your convenience to discuss.

Sincerely,


Lori Marie Barlow
Vice President